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Programme and Budget Committee

Fifteenth session
Vienna, 14-16 April 1999
Item 5 of the provisional agenda

MEDIUM-TERM PROGRAMME FRAMEWORK, 2000-2003

Proposals of the Director-General

Proposes a medium-term programme framework for the period 2000-2003, in compliance with General Conference decisions GC.2/Dec.23, GC.6/Dec.10 and GC.7/Dec.15, as well as Board decision IDB.20/Dec.6.

1. The present document should be considered in conjunction with the preview of the medium-term programme framework (IDB.20/9-PBC.14/8), which described the legislative background and the proposed indicative general ceiling for the programme and budgets, 2000-2001. In compliance with Board decision IDB.20/Dec.6, full account has been taken of the comments made during the fourteenth session of the Programme and Budget Committee and the twentieth session of the Board.

2. The medium-term programme framework, 2000-2003, is linked to the programme framework for 2000-2001, as described in chapter II of the introduction to the proposed programme and budgets for that biennium (IDB.21/7-PBC.15/7). Programme and budget innovations closely linked with the Organization's programmatic framework can be summarized as follows:

- All substantive programmes are described under two major programmes, as set out in the Business Plan: Major Programme C (Strengthening of Industrial Capacities) and Major Programme D (Cleaner and Sustainable Industrial Development).

- The Programmes listed under each major programme are synonymous with the service modules. Budgetary requirements are established at this level.

- Subprogramme-level presentations have been replaced with summaries of the services UNIDO will provide. An indication of the expected outputs is also given.

3. The use of the service modules as the foci of the Organization's programme and budgets and programmatic framework underscores the ongoing process of developing

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sets of integrated programmes and packages of services in accordance with the Business Plan.

4. The service modules represent areas where UNIDO can provide specific support services singly, or preferably in combination with other service modules, to address major problems of industrial development. Combining modules to enable cross-organizational cooperation ensures that UNIDO clients benefit from tailor-made programmes which provide the full range of services the Organization has on offer.

5. The development of these programmes is the result of a dialogue between the country and UNIDO. This is necessary because of the complexity of the integrated programmes and their heavy reliance on a sense of ownership and commitment at the country level. Without this, not only will the delivery of UNIDO services be more difficult, but also the sustainability of the programme and its full impact at the level of target beneficiaries and national industrial objectives may not be achieved.

6. Moreover, UNIDO must come to a common understanding with the Government on the national industrial objectives that should be supported and their relationship to the overall development goals of the country. UNIDO's response will vary depending on whether the overall development goals aim at economic development, employment generation, poverty reduction, balanced development among economic sectors, export-based development, etc.

7. The chart on the following page provides a schematic overview of how UNIDO can support a country's development efforts within its industrial development framework. Once an agreement is reached with the country concerned on the level, extent and nature of assistance required, this agreement represents the industrial development programme framework between UNIDO and the country.

8. As set out in the preview of the medium-term programme framework (IDB.20/9-PBC.14/8), Secretariat staff under the leadership of the Director-General are currently in the midst of a massive integrated programming exercise. May 1999 will mark the end of the first phase of this endeavour.

9. Reflecting the importance given to Africa, six integrated programmes are already under implementation in Africa, although only partially funded at the present time. Countries covered are Burkina Faso, Guinea, Kenya, Rwanda, Uganda and the United Republic of Tanzania.

10. In addition, an integrated programme for Algeria is under negotiation and a special integrated programme for India has started under a trust fund agreement.

11. Another group which have benefited from programming missions will have integrated programmes approved very soon; these include Guatemala, Morocco, Palestine, Saudi Arabia, Sudan, Thailand and Tunisia.

12. Completion of a further set of integrated programming missions, including five for Africa, is planned for May 1999. They are:

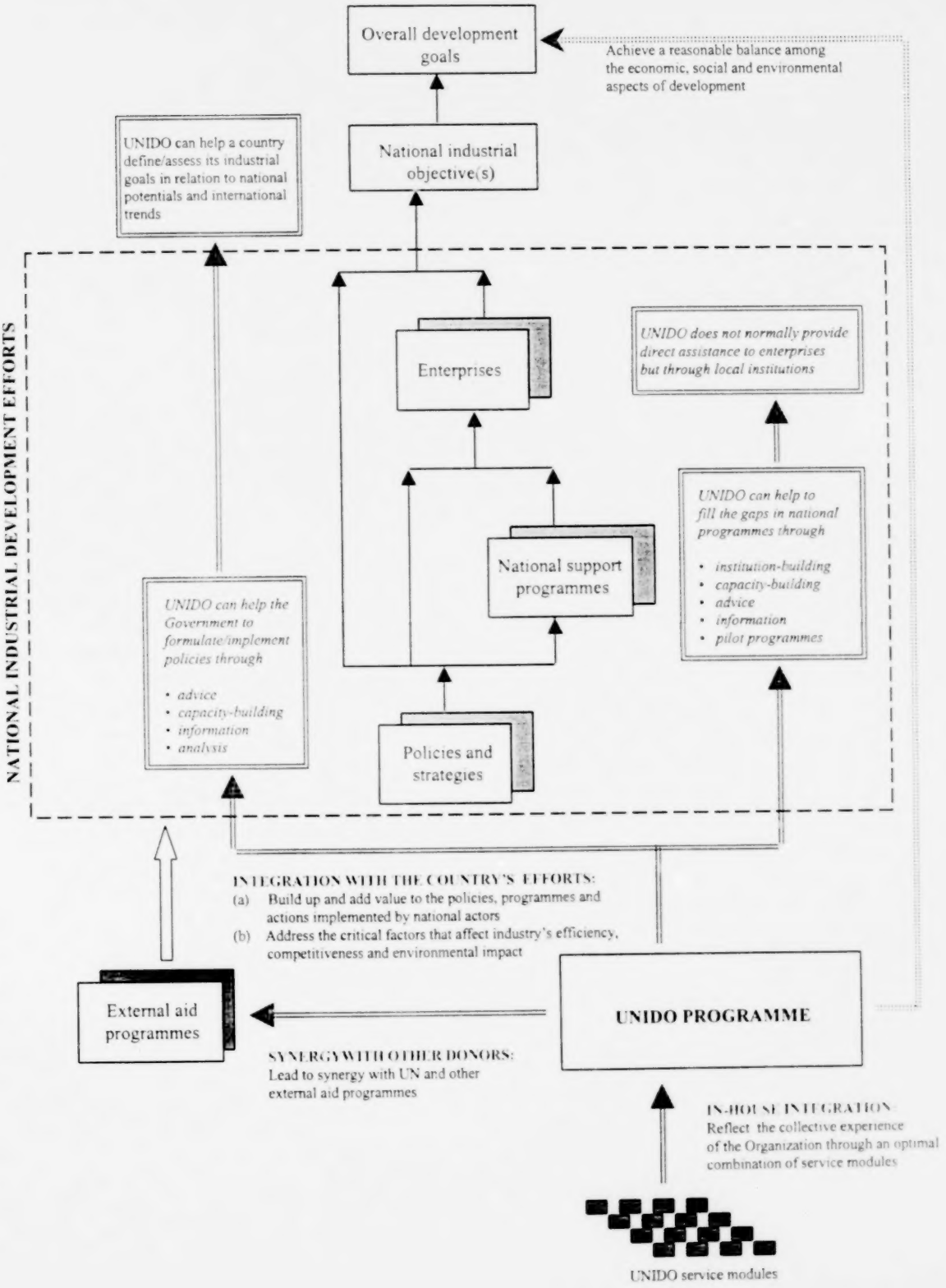
Country	*Tentative date*	*Country*	*Tentative date*
Armenia	07-14 May	Mozambique	19-30 April
Bolivia	01-08 May	Russian Federation	
Colombia	01-08 May	- Bashkortostan	09-16 May
Côte d'Ivoire	10-15 May	- Moscow	26-30 April
Cuba	17-30 June	- St. Petersburg	10-16 May
Ethiopia	17-30 June	Senegal	19-23 April
Ghana	19-27 April	Sri Lanka	19-25 April
Honduras	02-08 May	Yemen	24-29 April
Iran	24 April-2 May		

13. UNIDO programming missions are planned for the second half of the year starting in July for another group of approximately 20 countries.

14. The sum total of identified country priorities to be addressed, programme objectives and components and services to be provided will effectively represent the core of UNIDO's programmatic framework for 1999 and beyond.

15. Since the Secretariat is currently engaged in planning and finalizing the integrated programmes, it will provide to the twenty-first session of the Board a comprehensive analysis providing a detailed picture of the current

HOW UNIDO SUPPORTS A COUNTRY'S INDUSTRIAL DEVELOPMENT EFFORTS


Overall development goals
Achieve a reasonable balance among the economic, social and environmental aspects of development
UNIDO can help a country define/assess its industrial goals in relation to national potentials and international trends
National industrial objective(s)
NATIONAL INDUSTRIAL DEVELOPMENT EFFORTS
Enterprises
UNIDO does not normally provide direct assistance to enterprises but through local institutions
UNIDO can help to fill the gaps in national programmes through
• institution-building
• capacity-building
• advice
• information
• pilot programmes
National support programmes
UNIDO can help the Government to formulate/implement policies through
• advice
• capacity-building
• information
• analysis
Policies and strategies
INTEGRATION WITH THE COUNTRY'S EFFORTS:
(a) Build up and add value to the policies, programmes and actions implemented by national actors
(b) Address the critical factors that affect industry's efficiency, competitiveness and environmental impact
External aid programmes
UNIDO PROGRAMME
SYNERGY WITH OTHER DONORS:
Lead to synergy with UN and other external aid programmes
IN-HOUSE INTEGRATION:
Reflect the collective experience of the Organization through an optimal combination of service modules
UNIDO service modules

status of UNIDO's evolving programme framework. The report will provide the following information:

- **Programmes approved and under implementation**

  A matrix with information on and analysis of country priorities being addressed, programme objectives, planned and actual programme services provided, funds obtained, funding still required.

- **Programmes under development**

  A matrix providing information on the country, identified priorities, and the time frame for finalization.

- **Organizational units involved**

  A matrix providing information on the units involved in cross-organizational country teams developing and implementing the integrated programmes.

16. Following the instructions of the Director-General, sets of performance indicators will be applied to all UNIDO programmes. The teams of the programmes under implementation have started to develop programme-specific performance indicators. These indicators could cover groups of demonstration enterprises, industrial subsectors or institutional capacity-building. For instance, indicators such as manufacturing value-added, productivity, total output, exports and employment will be developed. The results of this exercise will be made available to Member States.

ACTION REQUIRED OF THE COMMITTEE

17. The Committee may wish to consider the information provided in the present document and make appropriate recommendations to the Industrial Development Board.